

 **HAVILAH RESOURCES NL**

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22 November 2002

The Manager  
Companies Announcements Office  
Australian Stock Exchange Ltd  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

Dear Sir / Madam,

**RE : Chairman's Address**

We attach the Chairman's Address delivered at the Annual General Meeting of Havilah Resources NL in Adelaide today, 22 November 2002.

Yours faithfully  
HAVILAH RESOURCES NL

DR. K R JOHNSON  
Chairman



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## **CHAIRMAN'S ADDRESS**

**22 November 2002**

This year has been a landmark for Havilah Resources NL with the public listing of our Company. When Dr Chris Giles and myself founded the company in late 1996, we had a vision of building an exploration company focussed on the prospecting opportunities that exist in South Australia. The older rocks in this area are host to two world class orebodies at Broken Hill and Olympic Dam. Our mature landforms have resulted in an extensive masking of the bedrock which makes the exploration task difficult. We believe that the application of technology to scrutinising the vast databases that the South Australian Dept of Mines and Energy has assembled will lead to an understanding of controls on existing occurrences and from that knowledge, lead to the generation of new exploration targets.

We were fortunate in 1997 to attract the support of the Lion Selection Group which is a Pooled Development Fund missioned to support the incubator end of the mining industry. Dr Giles' past exploration success in the Tanami (with North Flinders) and Tanzania (with East African Gold Mines) no doubt was a contributing factor in attracting the support of Lion. Lion has been an excellent and patient partner, and Howard Walker has complemented the Board's skill set with his wide corporate experience. In late 2001, following the Minotaur success at Prominent Hill, we elected to move Havilah to a publicly listed vehicle as a part of our growth strategy.

Our listing was successful and we quickly moved to initiate our early tasks. We were able to negotiate our way through Native Title clearances on our Gawler Craton properties by dealing directly with the local Claimants. A side benefit of this approach is that a co-operative relationship has been established with the indigenous people. These clearances enabled us to quickly begin field work and within three months of listing, we were drilling. We also pioneered the use of deep RC drilling rather than diamond core drilling on the Gawler Craton. This

enabled a faster and much lower-cost method of testing the deep anomalies we have on the Gawler Craton.

Our Mattaweara prospect was tested by drilling the significant gravity anomaly which is offset from the magnetic anomaly shown in the Prospectus. Geophysical body modelling indicated a depth of around 350 to 400 metres below the surface as the source of the anomaly. Our drill hole went to 604 metres, still in the thick sequence of sedimentary cover, and failed to reach the older bedrock. The anomaly remains unexplained. We followed up with down-hole electromagnetic testing to see if there was a sulphidic source nearby; no electromagnetic anomaly was detected.

Several other companies in the region will test similar targets in the next six months. We will watch their work carefully to see analogies. If the mineralisation is below around 800 metres deep it is probably not economic, as the capital cost of accessing the orebody would be too high.

Our work on the Pernatty project included detailed gravity surveying to understand the basement. A broad gravity high was mapped and two anomalies were drilled. No mineralisation was detected, but substantial basement relief was found, and from that work one or two other targets have emerged. We may look to bring in a joint venture partner to continue the work on Pernatty and leverage Havilah's 100% equity position.

Our other projects have been subject to detailed assessment of old data and determining drill targets. Dr Giles will talk about these. A drilling programme in 2003 will collect additional data from Kangaroo Island and Mutoroo.

We have used our resources to expand our land position in the Curnamona Craton by buying the Mulyungarie tenement, near Broken Hill, from the Administrator of Pasminco. The tenement has very similar geology to the Benagerie Ridge prospect which lies to the immediate west of the Mulyungarie area. Pasminco had done some preliminary work on the exploration licence. The area has dense coverage of magnetic data (100 metre line spacing), detailed gravity data and a limited amount of air-core drilling. The entire area is covered with Recent/Quaternary alluvium ranging in thickness from 20 to 70 metres. Two significant anomalous areas were discovered in the first part of drilling, one with 6 metres of gold at 1.05 grams per tonne and another large area of base metal anomalism. Both areas subcrop below the alluvium.

Dr Giles will discuss the work we have been doing in this area over the past few months.

We have also acquired another area at Cutana, south west of Mulyungarie. Several large sub-economic deposits such as White Dam and Kalkaroo are known to exist, and there is excellent potential for more. Our main focus is exploration for copper-gold deposits although base metal prospects are equally likely as Broken Hill age rocks occur throughout all these areas. We will continue to evolve our exploration models, using our 3D computer technology to study in detail the geophysical data to reveal subtle spatial relationships which may indicate mineralisation.

In summary, while we have not enjoyed instant success, we believe it is our duty to focus on drilling wisely to maximise the likelihood of economic discovery. Our share price significantly under-values both the land position and the cash backing in the company. Dr Giles and myself, through our private companies, have increased our shareholding in recent times.

We remain well-equipped to carry on our exploration and will not hesitate to rapidly drill test our prospects once we establish the likelihood of success. Our goal remains to find and evaluate potential mines in the smartest, most economical manner. That is the approach which will be sustainable and will deliver the best value and long-term return for our shareholders. Our preference is gold mineralisation but all sensible opportunities will be pursued.

Dr. Bob Johnson  
Chairman